

## REMARKS

### Drawings

Applicants respectfully request that the Examiner acknowledge formal acceptance of the drawings submitted in the Preliminary Amendment dated June 24, 2002.

### Information Disclosure Statement

Applicants note that the foreign and non-patent literature references submitted in the Information Disclosure Statement dated April 4, 2007, have not been acknowledged by the Examiner. Copies of the references were provided for review. Applicants respectfully request that the Examiner either provide acknowledgement of said references or provide a reason for his refusal to consider the references.

IDS Filed On:	References Initialed in Communication Dated:
9/16/02	Partially, 5/18/07
4/4/07	Partially, 10/6/06

### Priority Claim

Applicants note that the priority claim for the instant application, as displayed on the USPTO Patent Application Information Retrieval (PAIR) system, is incorrect. On June 5, 2006, Applicants submitted an Application Data Sheet (ADS) setting out the correct priority claim. Applicants respectfully request that the priority claim as set out in the ADS submitted June 5, 2006, be accurately reflected in the PAIR system. Applicants have attached a copy of said ADS for the convenience of the Examiner.

Additionally, on June 5, 2006, Applicants submitted a Preliminary Amendment amending the specification to note the correct priority claim. Applicants respectfully ask the Examiner to confirm that the specification has been amended as requested.

**Office Action Summary**

Claims 1-9, 11-14 and 18-41 are pending in the application. Claims 1, 18, and 22 are presently amended. Claims 39-41 are presently added.

Claims 18-20 stand rejected under 35 USC § 102(c) as being anticipated by Dimitri et al, US Patent 6,574,424 (“Dimitri”).

Claims 1, 5-9, 11, 22-27, 30, 31, 34-35, and 38 stand rejected under 35 USC § 103(a) as being unpatentable over Lowthert et al, US Publication 2002-0100043 (“Lowthert”), in view of Sartain et al, US Patent 5,914,712 (“Sartain”).

Claim 21 stands rejected under 35 USC § 103(a) as unpatentable over Dimitri in view of Lowthert.

Claims 12-13 stand rejected under 35 USC § 103(a) as unpatentable over Lowthert in view of Sartain, and further in view of Sandstrom, US Patent 6,238,763 (“Sandstrom”).

Claims 2-4, 14, and 36-37 stand rejected under 35 USC § 103(a) as unpatentable over Lowthert in view of Sartain, and further in view of Shear et al, US Publication 2001-0042043 (“Shear”).

Claims 28-29 stand rejected under 35 USC § 103(a) as unpatentable over Lowthert in view of Sartain, and further in view of Ginter, US Publication 2004-0054360 (“Ginter”).

Claims 32-33 stand rejected under 35 USC § 103(a) as unpatentable over Lowthert in view of Sartain, and further in view of Russo, US Patent 6,732,366 (“Russo”).

All rejections are discussed below. The examiner is respectfully urged to reconsider the application and withdraw the rejections. Should the examiner have any questions or concerns that might be efficiently resolved by way of a telephonic interview, the examiner is invited to call applicants’ undersigned representative, Jon M. Isaacson, at 206-332-1102.

**Rejections under 35 USC § 102(c)**

**Claim 18** stands rejected as anticipated by Dimitri. Applicants disagree with the Examiner’s argument that “[t]he recited claim limitations do not require the different mediums to store advertisements (ads) and movies.” Claim 18 has been amended to clarify that the “said

first medium is physically distinct from said second medium.” Applicants submit that this amendment is for clarification purposes only, and is not intended to further limit claim 18.

As discussed in Applicants’ previous arguments, the Application provides an example of why having entertainment content pre-recorded on a first medium and advertisements pre-recorded on a second medium, distinct from the first medium, is useful. It “is desirable that the method provide the ability to couple fresh, periodically updated advertisements with the audio and video content, even when a customer is enjoying content that he has had archived in his home for months or years.” (Specification, p. 6, para. 0014 as filed.) Dimitri describes: “Commercials, cartoons, movie trailers or other short video clips are stored on *the same DVD disk* that holds a DVD movie.” (Col. 6, ll. 7-9, emphasis added.) Dimitri explains why it is important that the commercials are stored on the *same disk* as the entertainment content. “Storing a commercial on a DVD disk lessens the cost of disk production.” (Dimitri, col. 6, ll. 18-19.) Dimitri thus teaches away from entertainment content pre-recorded on a first medium and advertisements pre-recorded on a physically-distinct second medium.

For at least the reasons explained above, Applicants respectfully submit that Dimitri does not teach the recitations of claim 18 and, therefore, claim 18 is patentably defined over the cited art. Accordingly, Applicants respectfully request that the rejection of claim 18 be withdrawn.

**Claims 19 and 20** depend from claim 18, and stand rejected as anticipated by Dimitri. Applicants respectfully submit that for at least the reasons explained above with respect to independent claim 18, each of these dependent claims is patentably defined over the cited art and, accordingly, respectfully request that the rejection of claims 19 and 20 be withdrawn.

#### **Rejections under 35 USC § 103(a)**

Claims 1, 5-9, 11, 22-27, 30, 31, 34-35, and 38 stand rejected under 35 USC § 103(a) as being unpatentable over Lowther, in view of Sartain.

**Claim 1** stands rejected under 35 USC § 103(a) as being unpatentable over Lowther, in view of Sartain. Claim 1 is presently amended to clarify the claim and emphasize how the claim is patentably defined over the cited art. Applicants submit that the amendments are made for clarification purposes only and do not further limit the claim in any way. Similar to their

arguments previously presented in the response to the last Office Action, Applicants submit that the cited passages of Sartain and Lowther do not teach or suggest “*updating at least some of said advertisements with respect to previously distributed advertisements; and periodically distributing said updated advertisements* pre-recorded on advertisement storage media to said customer locations.” (Claim 1, emphasis on clarifying amendment.)

As to Lowther, the Examiner asserts that the “sneakernet” disclosed in Lowther is a distribution system which distributes “via conventional mail (physical or hand delivery) to various locations” and that “one skilled in the art knows that these distribution method is usually done periodically (monthly).” (Office Action of 8/7/2008, pg. 3.) Applicants respectfully disagree with the Examiner’s conclusion that Lowther’s disclosure of a sneakernet as a “delivery means” (para. 0024) teaches or suggests any kind of periodic distribution of updated advertisements for at least two reasons. First, as the Examiner later admits in the Office Action, “Lowther is silent as to periodic distribution.” (Office action of 8/7/2008, pg. 3.) Second, the cited portions fail to teach or suggest updating advertisements and periodically distributing those updated advertisements as recited in claim 1.

As to Sartain, the Examiner asserts that Sartain discloses “an interactive video system which periodically (once a day, once a week, etc.,) distributes ads and other content via overnight mail to remote sights.” (Office action of 8/7/2008, pg. 3.) The relevant portion of the Examiner’s citation to Sartain states:

Satellite 300 can also be used to transmit video programs from office 330 to earth headends 370 and 372.... When a satellite is not utilized to distribute the video programming, a variety of other techniques can be used. When a satellite is not utilized...*the video programs* can be sent, in the preferred embodiment, via overnight mail to earth headends 110, 112, 114, 370, and 372. In addition, *the video programs* can be sent via any available transmission line means (e.g., telephone line, coax cable, fiber optic cable, and the like). In the preferred embodiment, *selectable video programs* are updated once a day to once a week. A satellite allows downlink on command such that desirable videos and commercials can be quickly inserted into a queue at the remote site.

(Sartain, col. 8, ll. 29-43.) Thus, the cited portion of Sartain disclose that *video programs* can be sent via overnight mail and that *selectable video programs can be updated* once a day or once a week. However, the cited portions of Sartain fail to teach or suggest updating advertisements and periodically distributing those updated advertisements as recited in claim 1.

For at least the reasons discussed above, Applicants submit that the cited passages of Sartain and Lowther do not teach or suggest “updating at least some of said advertisements with respect to previously distributed advertisements; and periodically distributing said updated advertisements pre-recorded on advertisement storage media to said customer locations” as recited by claim 1. Applicants submit that claim 1 is patentably defined over the cited art and request withdrawal of the rejection of claim 1.

**Claims 5-9 and 11** depend from claim 1, and stand rejected under 35 USC § 103(a) as being unpatentable over Lowther, in view of Sartain. Applicants respectfully submit that for at least the reasons explained above with respect to claim 1, each of these dependent claims is patentably defined over the cited art. Accordingly, applicants respectfully request that the rejection of claims 5-9 and 11 be withdrawn.

**Claim 22** stands rejected under 35 USC § 103(a) as being unpatentable over Lowther, in view of Sartain. Claim 22 is presently amended, similar to claim 1, to clarify the claim and emphasize how the claim is patentably defined over the cited art. Applicants submit that the amendments are made for clarification purposes only and do not further limit the claim in any way. The Examiner rejected claim 22 for essentially the same reasons as the rejection of claim 1. (See Office Action of 7/8/2008, pg. 9.) For at least the reasons discussed above with respect to claim 1, Applicants submit that claim 22 is patentably defined over the cited art. Applicants respectfully request withdrawal of the rejection of claim 1.

**Claims 23-27, 30, 31, 34-35, and 38** depend from claim 22, and stand rejected under 35 USC § 103(a) as being unpatentable over Lowther, in view of Sartain. Applicants respectfully submit that for at least the reasons explained above with respect to claim 22, each of these dependent claims is patentably defined over the cited art. Accordingly, applicants respectfully request that the rejection of claims 23-27, 30, 31, 34-35, and 38 be withdrawn.

**Claim 21** depends from claim 18, and the rejection of claim 21 relies on the rejection of claim 18 under 35 USC § 102(e) as anticipated by Dimitri. Applicants respectfully submit that for at least the reasons explained above with respect to independent claim 18, this dependent claim is patentably defined over the cited art and, accordingly, respectfully request that the rejection of claim 21 be withdrawn.

**Claims 12-13** depend from claim 1, and stand rejected under 35 USC § 103(a) as unpatentable over Lowthert in view of Sartain, and further in view of Sandstrom. Applicants respectfully submit that for at least the reasons explained above with respect to claim 1, each of these dependent claims is patentably defined over the cited art. Accordingly, applicants respectfully request that the rejection of claims 12-13 be withdrawn.

Claims 2-4, 14, and 36-37 stand rejected under 35 USC § 103(a) as unpatentable over Lowthert in view of Sartain, and further in view of Shear.

**Claims 2-4 and 14** depend from claim 1. Applicants respectfully submit that for at least the reasons explained above with respect to claim 1, each of these dependent claims is patentably defined over the cited art. Accordingly, applicants respectfully request that the rejection of claims 2-4 and 14 be withdrawn.

**Claims 36-37** depend from claim 22. Applicants respectfully submit that for at least the reasons explained above with respect to claim 22, each of these dependent claims is patentably defined over the cited art. Accordingly, applicants respectfully request that the rejection of claims 36-37 be withdrawn.

**Claims 28-29** depend from claim 22, and stand rejected under 35 USC § 103(a) as unpatentable over Lowthert in view of Sartain, and further in view of Ginter. Applicants respectfully submit that for at least the reasons explained above with respect to claim 22, each of these dependent claims is patentably defined over the cited art. Accordingly, applicants respectfully request that the rejection of claims 28-29 be withdrawn.

**Claims 32-33** depend from claim 22, and stand rejected under 35 USC § 103(a) as unpatentable over Lowthert in view of Sartain, and further in view of Russo. Applicants respectfully submit that for at least the reasons explained above with respect to claim 22, each of these dependent claims is patentably defined over the cited art. Accordingly, applicants respectfully request that the rejection of claims 32-33 be withdrawn.

#### **New claims**

Claim 39-41 are presently added. Claim 39 depends from claim 1, and recites, in part, “said entertainment content is encrypted such that the entertainment content can be displayed at the consumer’s location only under pre-determined circumstances.” For at least the reasons discussed above with respect to claim 1, applicants submit that claim 39 is patentably defined over the cited art. Further, applicants submit that the cited art does not teach or suggest entertainment content which “is encrypted such that the entertainment content can be displayed at the consumer’s location only under pre-determined circumstances” as recited in claim 39. Claims 40-41 depend from claim 39, and applicants submit that they are patentably defined over the cited art for at least the reasons discussed regarding claim 1 and claim 39.

#### **Conclusion**

Applicants believe that the present remarks are responsive to each of the points raised by the examiner in the official action, and submit that claims 1-9, 11-14, and 18-41 of the application are in condition for allowance. Favorable consideration and passage to issue of the application at the examiner’s earliest convenience is earnestly solicited.

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**PATENT  
REPLY FILED UNDER EXPEDITED  
PROCEDURE PURSUANT TO  
37 CFR § 1.116**

Respectfully submitted,

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